About the OCC

The Office of the Comptroller of the Currency (OCC) charters, regulates, and supervises national banks and federal savings associations (collectively, banks) and licenses and supervises the federal branches and agencies of foreign banks. The OCC’s mission is to ensure that these institutions operate in a safe and sound manner, provide fair access to financial services, treat customers fairly, and comply with applicable laws and regulations. The OCC is an independent bureau of the U.S. Department of the Treasury.

The President nominates the Comptroller of the Currency subject to confirmation by the U.S. Senate. The Comptroller also serves as a director of the Federal Deposit Insurance Corporation (FDIC) and NeighborWorks America and as a member of the Financial Stability Oversight Council and the Federal Financial Institutions Examination Council (FFIEC).

Headquartered in Washington, D.C., the OCC has 65 office locations, including four district offices and an office in London that supervises the international activities of national banks. The OCC’s nationwide staff of bank examiners conducts on-site reviews of banks and provides sustained supervision of these institutions’ operations. OCC examiners analyze asset quality, capital adequacy, earnings, liquidity, and sensitivity to market risk, as well as Bank Secrecy Act/Anti-Money Laundering (BSA/AML) compliance for all banks, and assess compliance with federal consumer financial laws for banks with less than $10 billion in assets. Examiners also evaluate management’s ability to identify and control risk, and assess banks’ performance in meeting the credit needs of the communities in which they operate, pursuant to the Community Reinvestment Act (CRA).

In supervising banks, the OCC has the power to

- examine banks.
- approve or deny applications for new charters, branches, capital, or other changes in corporate or banking structure.
- take supervisory and enforcement actions against banks that do not comply with laws and regulations or that otherwise engage in unsafe or unsound practices.
- issue rules and regulations, legal interpretations, supervisory guidance, and corporate decisions governing investments, lending, and other practices.

The OCC and the federal banking system were created by the National Currency Act, which President Abraham Lincoln signed into law on February 25, 1863. In June 1864, the law was substantially revised and expanded, and in 1874 it was given a new name: the National Bank Act. It remains the basic statute under which the OCC and the federal banking system operate today.
About This Annual Report

Section 61 of the National Currency Act of February 25, 1863, directed the Comptroller of the Currency to report annually to Congress “a summary of the state and condition” of the national banking system, along with suggestions for “any amendment to the laws relative to banking.” Over the past century and a half, some of the most significant changes to the U.S. financial system—including the amendments to the National Currency Act enacted by Congress as the National Bank Act of 1864—began with recommendations contained within the pages of this report. Since that time, the OCC Annual Report has chronicled and advanced the long evolution of the nation’s financial and regulatory structure, providing the American people and their representatives with information about the federal banking system.

The first Comptroller of the Currency was Hugh McCulloch, formerly the president of the state-chartered Bank of Indiana. McCulloch went to Washington to argue against passage of the National Currency Act but soon came to appreciate its merits. At the request of Salmon P. Chase, Lincoln’s Secretary of the Treasury, McCulloch agreed to lead the new system.

Under a professional staff of national bank examiners, the new system made an important contribution to the robust growth of the U.S. economy. Banks under OCC supervision issued a uniform national currency, which replaced the previous varied and unreliable money supply, and provided financial services across the country. The OCC long ago ceded oversight of the money supply. Today it focuses on ensuring that national banks and federal savings associations operate in a safe and sound manner, provide fair access to financial services, treat customers fairly, and comply with applicable laws and regulations.

On July 21, 2011, under provisions of the Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010, the Office of Thrift Supervision (OTS) was integrated into the OCC. As a result, the OCC is responsible for the supervision of federal savings associations, under the Home Owners’ Loan Act.

1 Hereafter referred to as Dodd–Frank in this report.